

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2006**

	July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Month Policy	Net ROR	Fiscal YTD Net ROR	FY06 Net ROR	Ended 6/30/2006 Net	Ended 6/30/2006 Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	67,569,838	4.0%	4.2%	-3.49%	-3.49%	11.88%	N/A	N/A
Total Structured Growth	67,569,838	4.0%	4.2%	-3.49%	-3.49%	11.88%	12.99%	0.19%
<i>Russell 1000 Growth</i>				-1.90%	-1.90%	6.12%	8.34%	-0.77%
<i>Structured Value</i>								
LSV	73,504,884	4.3%	4.2%	1.80%	1.80%	15.93%	21.06%	12.29%
<i>Russell 1000 Value</i>				2.43%	2.43%	12.10%	15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	88,241,722	5.2%	5.3%	-1.13%	-1.13%	12.49%	12.73%	3.75%
<i>Russell 1000</i>				0.22%	0.22%	9.08%	12.05%	3.12%
<i>Enhanced S&P 500 Index</i>								
Northern Trust	90,904,111	5.3%	5.3%	0.84%	0.84%	9.33%	11.32%	2.81%
Westridge	94,796,518	5.5%	4.2%	0.65%	0.65%	8.80%	11.46%	2.80%
Wells Capital	45,247,261	2.6%	2.8%	-1.02%	-1.02%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	230,947,891	13.5%	12.3%	0.40%	0.40%	8.58%	11.40%	2.76%
<i>S&P 500</i>				0.62%	0.62%	8.63%	11.22%	2.49%
<i>S&P 500 Index</i>								
State Street	30,209,622	1.8%	2.0%	0.86%	0.86%	9.62%	11.55%	2.70%
<i>S&P 500</i>				0.62%	0.62%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	490,473,958	28.7%	28.0%	-0.20%	-0.20%	10.93%	13.21%	3.86%
<i>S&P 500</i>				0.62%	0.62%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	113,990,643	6.7%	7.2%	-3.55%	-3.55%	13.56%	18.31%	8.00%
<i>Russell 2000 + 200bp</i>				-3.09%	-3.09%	16.86%	21.06%	10.71%
Callan	44,234,440	2.6%	2.8%	-4.14%	-4.14%	N/A	N/A	N/A
<i>Russell 2000</i>				-3.25%	-3.25%			
TOTAL SMALL CAP DOMESTIC EQUITY	158,225,083	9.3%	10.0%	-3.55%	-3.55%	13.40%	18.25%	7.97%
<i>Russell 2000</i>				-3.25%	-3.25%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	30,944,279	1.8%	1.8%	1.07%	1.07%	27.85%	20.61%	6.87%
<i>MSCI EAFE (1)</i>				0.99%	0.99%	26.56%	20.76%	5.94%
<i>Large Cap - Active</i>								
Capital Guardian	91,415,977	5.4%	5.4%	0.82%	0.82%	28.01%	21.32%	6.58%
LSV	89,479,083	5.2%	5.4%	1.14%	1.14%	27.77%	N/A	N/A
Bank of Ireland	30,284,498	1.8%	1.8%	0.46%	0.46%	22.00%	19.16%	N/A
Total Large Cap - Active	211,179,557	12.4%	12.6%	0.90%	0.90%	27.11%	21.84%	7.14%
<i>MSCI EAFE - 50% Hedged</i>				0.98%	0.98%	26.72%	22.56%	6.89%
<i>Small Cap - Active</i>								
Lazard	29,169,478	1.7%	1.8%	-2.15%	-2.15%	25.04%	29.34%	N/A
Wellington	29,400,420	1.7%	1.8%	0.23%	0.23%	23.35%	25.26%	N/A
Total Small Cap - Active	58,569,898	3.4%	3.6%	-0.97%	-0.97%	24.18%	27.28%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				-2.00%	-2.00%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	300,693,735	17.6%	18.0%	0.55%	0.55%	26.61%	22.77%	8.74%
<i>MSCI EAFE - 50% Hedged</i>				0.98%	0.98%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY								
<i>Core</i>								
JP Morgan	15,243,216	0.9%	0.9%	1.75%	1.75%	N/A	N/A	N/A
PanAgora	13,206,082	0.8%	0.9%	2.17%	2.17%	N/A	N/A	N/A
WestLB	13,556,142	0.8%	0.0%	1.42%	1.42%	N/A	N/A	N/A
UBS	23,796,698	1.4%	1.5%	1.71%	1.71%	N/A	N/A	N/A
Total Core	65,802,138	3.9%	4.1%	1.76%	1.76%	35.59%	32.44%	18.61%
<i>MSCI Emerging Markets</i>				1.50%	1.50%	35.91%	22.39%	12.89%
<i>Small Cap</i>								
DFA	14,291,611	0.8%	1.0%	2.22%	2.22%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				1.50%	1.50%			
TOTAL EMERGING MARKETS EQUITY	80,093,749	4.7%	5.0%	1.84%	1.84%	34.40%	32.05%	18.40%
<i>MSCI Emerging Markets</i>				1.50%	1.50%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	23,622,164	1.4%	1.4%	1.56%	1.56%	-1.15%	2.65%	5.96%
<i>Lehman Aggregate</i>				1.35%	1.35%	-0.81%	2.05%	4.97%
<i>Index</i>								
Bank of ND	46,580,212	2.7%	3.0%	1.25%	1.25%	-1.37%	1.53%	5.24%
Total Index	46,580,212	2.7%	3.0%	1.25%	1.25%	-0.69%	2.10%	5.27%
<i>Lehman Gov/Credit</i>				1.30%	1.30%	-1.52%	1.60%	5.13%
<i>Convertibles</i>								
TCW	21,653,716	1.3%	1.4%	-0.54%	-0.54%	4.54%	6.78%	1.15%
<i>Merrill Lynch All Convertibles</i>				0.23%	0.23%	9.37%	8.01%	4.94%

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	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2006 Net	6/30/2006 Net
BBB Average Quality								
Wells Capital	23,199,611	1.4%	1.4%	1.52%	1.52%	-2.70%	3.36%	5.51%
Lehman BBB				1.58%	1.58%	-2.37%	2.39%	6.10%
Private Debt								
Prudential	23,672,571	1.4%	1.4%	1.39%	1.39%	-0.13%	N/A	N/A
Lehman Aggregate				1.35%	1.35%	-0.81%	N/A	N/A
Timberland								
RMK	18,336,670	1.1%	1.1%	-0.06%	-0.06%	-1.44%	7.62%	N/A
TIR	38,419,272	2.2%	2.2%	-0.03%	-0.03%	13.53%	N/A	N/A
Total Timberland	56,755,942	3.3%	3.3%	-0.04%	-0.04%	9.43%	20.37%	N/A
NCREIF Timberland Index				1.15%	1.15%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	195,484,216	11.4%	12.0%	0.73%	0.73%	3.12%	8.91%	8.14%
Lehman Aggregate				1.35%	1.35%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS								
Core								
Loomis Sayles	59,676,760	3.5%	3.5%	1.52%	1.52%	4.74%	N/A	N/A
Sutter/Wells Capital	59,804,977	3.5%	3.5%	0.92%	0.92%	4.70%	N/A	N/A
Total Core	119,481,736	7.0%	7.0%	1.22%	1.22%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Constrained Index				0.86%	0.86%	4.38%	N/A	N/A
Mezzanine Debt								
Goldman Sachs	584,470	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	120,066,206	7.0%	7.0%	1.21%	1.21%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Constrained Index				0.86%	0.86%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	41,419,419	2.4%	2.5%	0.43%	0.43%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (2)				0.69%	0.69%	-0.11%	5.01%	9.58%
International Core								
Brandywine	42,068,762	2.5%	2.5%	1.52%	1.52%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				0.00%	0.00%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	83,488,181	4.9%	5.0%	0.98%	0.98%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (2)				0.69%	0.69%	0.00%	5.05%	9.60%
REAL ESTATE								
INVESCO	85,969,154			0.00%	0.00%	23.84%	17.33%	12.38%
J.P. Morgan Strategic & Special Funds	85,315,035			1.31%	1.31%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	19,254,475			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	190,538,664	11.2%	9.0%	0.59%	0.59%	22.09%	17.09%	12.36%
NCREIF TOTAL INDEX				1.32%	1.32%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS								
Brinson IVCF III	615,942			0.00%	0.00%	26.32%	19.53%	18.00%
Coral Partners V	4,910,114			0.00%	0.00%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	445,851			0.00%	0.00%	10.53%	10.33%	N/A
Coral Partners VI	6,915,525			0.00%	0.00%	-6.22%	N/A	N/A
Brinson 1998 Partnership Fund	1,317,495			0.00%	0.00%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	2,353,153			0.00%	0.00%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	6,960,386			0.00%	0.00%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	3,946,061			0.00%	0.00%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	2,658,785			0.00%	0.00%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	644,184			0.00%	0.00%	25.48%	6.77%	N/A
Total Brinson Partnership Funds	17,880,063			0.00%	0.00%	23.26%	14.60%	N/A
Brinson 1999 Non-US Partnership Fund	1,204,151			0.00%	0.00%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	1,361,770			0.00%	0.00%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	1,976,861			0.00%	0.00%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	2,749,764			0.00%	0.00%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	1,581,099			0.00%	0.00%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	689,024			0.00%	0.00%	24.56%	N/A	N/A
Total Brinson Non-US Partnership Fund	9,562,669			0.00%	0.00%	33.66%	21.76%	N/A
Brinson BVCF IV	8,751,274			0.00%	0.00%	31.35%	19.07%	0.41%
Matlin Patterson Global Opportunities	6,997,595			0.00%	0.00%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	12,073,385			0.00%	0.00%	-0.85%	N/A	N/A
InvestAmerica	2,109,868			0.00%	0.00%	0.00%	-9.20%	N/A
Hearthstone MSII	1			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	1,910,775			0.00%	0.00%	59.61%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	72,173,061	4.2%	5.0%	0.00%	0.00%	11.11%	10.45%	-2.11%
CASH EQUIVALENTS								
Northern Trust STIF/STEP	16,861,364	1.0%	1.0%	0.30%	0.30%	4.31%	2.64%	2.41%
90 Day T-Bill				0.42%	0.42%	4.00%	2.37%	2.25%
TOTAL FUND	1,708,098,216	100.0%	100.0%	0.07%	0.07%	14.79%	15.79%	7.67%
POLICY TARGET BENCHMARK				0.48%	0.48%	13.17%	14.32%	6.67%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual c